

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1321
92ND GENERAL ASSEMBLY

2790S.04T

2004

AN ACT

To repeal sections 67.457 and 67.469, RSMo, and to enact in lieu thereof three new sections relating to neighborhood improvement districts.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 67.457 and 67.469, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 67.456, 67.457, and 67.469, to read as follows:

67.456. 1. The average maturity of bonds or notes issued under the neighborhood improvement district act after August 28, 2004, shall not exceed one hundred twenty percent of the average economic life of the improvements for which the bonds or notes are issued.

2. Any improvement for which a petition is filed or an election is held under section 67.457 after August 28, 2004, including improvements to or located on property owned by a city or county, shall include provisions for maintenance of the project during the term of the bonds or notes.

3. In the event that, after August 28, 2004, any parcel of property within the neighborhood improvement district is divided into more than one parcel of property after the final costs of the improvement are assessed, all unpaid final costs of the improvement assessed to the original parcel that was divided shall be recalculated and reassessed proportionally to each of the parcels resulting from the division of the original parcel, based on the assessed valuation of each resulting parcel. No parcel of property which has had the assessment against it paid in full by the property owner shall be reassessed under

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.

16 **this section. No parcel of property shall have the initial assessment against it changed,**
17 **except for any changes for special, supplemental, or additional assessments authorized**
18 **under the state neighborhood improvement district act.**

67.457. 1. To establish a neighborhood improvement district, the governing body of any
2 city or county shall comply with either of the procedures described in subsection 2 or 3 of this
3 section.

4 2. The governing body of any city or county proposing to create a neighborhood
5 improvement district may by resolution submit the question of creating such district to all
6 qualified voters residing within such district at a general or special election called for that
7 purpose. Such resolution shall set forth the project name for the proposed improvement, the
8 general nature of the proposed improvement, the estimated cost of such improvement, the
9 boundaries of the proposed neighborhood improvement district to be assessed, and the proposed
10 method or methods of assessment of real property within the district, including any provision for
11 the annual assessment of maintenance costs of the improvement in each year [after] **during the**
12 **term of** the bonds issued for the original improvement **and after such bonds** are paid in
13 full. The governing body of the city or county may create a neighborhood improvement district
14 when the question of creating such district has been approved by the vote of the percentage of
15 electors within such district voting thereon that is equal to the percentage of voter approval
16 required for the issuance of general obligation bonds of such city or county under article VI,
17 section 26 of the constitution of this state. The notice of election containing the question of
18 creating a neighborhood improvement district shall contain the project name for the proposed
19 improvement, the general nature of the proposed improvement, the estimated cost of such
20 improvement, the boundaries of the proposed neighborhood improvement district to be assessed,
21 the proposed method or methods of assessment of real property within the district, including any
22 provision for the annual assessment of maintenance costs of the improvement in each year after
23 the bonds issued for the original improvement are paid in full, and a statement that the final cost
24 of such improvement assessed against real property within the district and the amount of general
25 obligation bonds issued therefor shall not exceed the estimated cost of such improvement, as
26 stated in such notice, by more than twenty-five percent, **and that the annual assessment for**
27 **maintenance costs of the improvements shall not exceed the estimated annual maintenance**
28 **cost, as stated in such notice, by more than twenty five percent.** The ballot upon which the
29 question of creating a neighborhood improvement district is submitted to the qualified voters
30 residing within the proposed district shall contain a question in substantially the following form:
31 Shall (name of city or county) be authorized to create a neighborhood
32 improvement district proposed for the (project name for the proposed improvement) and
33 incur indebtedness and issue general obligation bonds to pay for all or part of the cost of public

34 improvements within such district, the cost of all indebtedness so incurred to be assessed by the
35 governing body of the (city or county) on the real property benefited by such
36 improvements for a period of years, and, if included in the resolution, an assessment in each
37 year thereafter with the proceeds thereof used solely for maintenance of the improvement?

38 3. As an alternative to the procedure described in subsection 2 of this section, the
39 governing body of a city or county may create a neighborhood improvement district when a
40 proper petition has been signed by the owners of record of at least two-thirds by area of all real
41 property located within such proposed district. The petition, in order to become effective, shall
42 be filed with the city clerk or county clerk. A proper petition for the creation of a neighborhood
43 improvement district shall set forth the project name for the proposed improvement, the general
44 nature of the proposed improvement, the estimated cost of such improvement, the boundaries
45 of the proposed neighborhood improvement district to be assessed, the proposed method or
46 methods of assessment of real property within the district, including any provision for the annual
47 assessment of maintenance costs of the improvement in each year [after] **during the term of the**
48 **bonds issued for the original improvement and after such bonds** are paid in full, a notice that
49 the names of the signers may not be withdrawn later than seven days after the petition is filed
50 with the city clerk or county clerk, and a notice that the final cost of such improvement assessed
51 against real property within the district and the amount of general obligation bonds issued
52 therefor shall not exceed the estimated cost of such improvement, as stated in such petition, by
53 more than twenty-five percent, **and that the annual assessment for maintenance costs of the**
54 **improvements shall not exceed the estimated annual maintenance cost, as stated in such**
55 **petition, by more than twenty-five percent.**

56 4. Upon receiving the requisite voter approval at an election or upon the filing of a
57 proper petition with the city clerk or county clerk, the governing body may by resolution or
58 ordinance determine the advisability of the improvement and may order that the district be
59 established and that preliminary plans and specifications for the improvement be made. Such
60 resolution or ordinance shall state and make findings as to the project name for the proposed
61 improvement, the nature of the improvement, the estimated cost of such improvement, the
62 boundaries of the neighborhood improvement district to be assessed, the proposed method or
63 methods of assessment of real property within the district, including any provision for the annual
64 assessment of maintenance costs of the improvement in each year after the bonds issued for the
65 original improvement are paid in full, and shall also state that the final cost of such improvement
66 assessed against the real property within the neighborhood improvement district and the amount
67 of general obligation bonds issued therefor shall not, without a new election or petition, exceed
68 the estimated cost of such improvement by more than twenty-five percent.

69 5. The boundaries of the proposed district shall be described by metes and bounds,
70 streets or other sufficiently specific description. The area of the neighborhood improvement
71 district finally determined by the governing body of the city or county to be assessed may be less
72 than, but shall not exceed, the total area comprising such district.

73 6. In any neighborhood improvement district organized prior to August 28, 1994, an
74 assessment may be levied and collected after the original period approved for assessment of
75 property within the district has expired, with the proceeds thereof used solely for maintenance
76 of the improvement, if the residents of the neighborhood improvement district either vote to
77 assess real property within the district for the maintenance costs in the manner prescribed in
78 subsection 2 of this section or if the owners of two-thirds of the area of all real property located
79 within the district sign a petition for such purpose in the same manner as prescribed in subsection
80 3 of this section.

 67.469. A special assessment authorized under the provisions of sections 67.453 to
2 67.475 shall be a lien, from the date of the assessment, on the property against which it is
3 assessed on behalf of the city or county assessing the same to the same extent as a tax upon real
4 property. **Upon the foreclosure of any such lien, the entire remaining assessment shall**
5 **become due and payable and shall be recoverable in such foreclosure proceeding.**